

11. EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

Table 11-1. Federal Resources in Support of Education, Training, Employment, and Social Services
(Dollar amounts in millions)

Function 500	1993 Actual	2001 Estimate	Percent Change: 1993–2001
Spending:			
Discretionary budget authority	38,192	61,121	60%
Mandatory outlays	13,548	10,737	–21%
Credit Activity:			
Direct loan disbursements	2,701	19,060	NA
Guaranteed loans	14,751	28,238	91%
Tax expenditures	21,855	59,450	172%

NA = Not applicable.

President Clinton has made increased support for elementary and secondary education and expanded access to postsecondary training the hallmark of his Administration. The President's education strategy is simple and straightforward—we must invest more in our schools and demand more in return. Over the past eight years, Federal spending for all levels of education and training has increased dramatically, tax-advantaged support for education has been expanded to reach more people, and access to student aid has been broadened while the cost of repaying loans has been reduced and made more flexible. Taken together, the improvements and expansions in the range of support for education and training is unprecedented, and has put postsecondary training within reach of almost anyone who wants it. In 2001, discretionary spending for education, training, and social services programs is \$61 billion, 60 percent above the level when the Clinton-Gore Administration took office, while direct loans have increased sevenfold, guaranteed loans have nearly doubled, and tax expenditures have more than doubled. (See Table 11–2.)

DEPARTMENT OF EDUCATION

Elementary and Secondary Education

Federal spending for elementary and secondary education addresses important national needs, such as equal opportunity and the use of challenging academic standards, to improve student achievement. Most low-performing children in high-poverty schools receive extra educational assistance through the Title I (Education for the Disadvantaged) program. Other programs provide related support for children with disabilities and limited English proficiency; fund teacher and administrator training; help finance and encourage State, district, and school reforms; help reduce class sizes; and, support research and technical assistance. The Administration's long-term goal has been to help all children, especially low-income and minority children, raise their levels of achievement so that they can meet challenging academic standards.

Through the Goals 2000: Educate America Act and Improving America's Schools Act (IASA), the Federal focus in K-12 education began to change in 1994 from supporting individual programs to emphasizing school-wide and school system reforms based on challenging academic standards for all

Table 11-2. Selected Education, Training, and Related Programs

(In millions of dollars)

	1993 Actual	2001 Enacted	Change: 1993–2001
TAX EXPENDITURES:			
Hope Scholarships Credit		4,480	4,480
Lifetime Learning Credit		2,570	2,570
Student Loan Interest Deduction		370	370
DISCRETIONARY BUDGET AUTHORITY:			
Department of Education:			
Title I—Education for the Disadvantaged/Accountability	6,709	9,533	2,824
Eisenhower Teacher Quality and Professional Development	275	567	292
Class Size Reduction		1,623	1,623
21st Century Community Learning Centers		846	846
School Renovation		1,200	1,200
Special Education	2,966	7,440	4,474
Education Technology	23	872	849
Bilingual and Immigrant Education	237	460	223
Charter Schools		190	190
Safe and Drug-Free Schools and Communities	582	644	62
Adult Education	305	561	256
Pell Grants	6,372	8,756	2,384
Pell Grant maximum award (in dollars)	2,300	3,750	1,450
Federal Work-Study	617	1,011	394
GEAR UP	NA	295	295
TRIO	388	730	342
Department of Labor:			
Youth Opportunity Grants		275	275
Responsible Reintegration for Young Offenders		55	55
Job Corps	966	1,400	434
Dislocated Worker Assistance	651	1,590	939
Department of Health and Human Services:			
Head Start	2,776	6,200	3,424
Administration on Aging	839	1,103	264
National Service:			
Corporation for National and Community Service	284	767	483
Cultural Agencies:			
Smithsonian Institution	344	455	111
National Endowment for the Arts	174	105	–69
National Endowment for the Humanities	177	120	–57
STUDENT LOANS (face value of loans issued):			
Direct Loans	NA	10,860	10,860
Guaranteed Loans	15,993	23,903	7,910
Consolidated Loans	1,487	14,238	12,751

NA = Not applicable.

students. These laws support State and local standards-based reform efforts, promote the use of technology in education to improve learning, and help upgrade the quality of teaching. This new approach to education helped free States and schools from unnecessary Federal process restrictions, providing greater flexibility while requiring more accountability for results. Early results show that the standards-based reform coupled with strong accountability is having a significant impact. For example, all but one State has

content standards in at least reading and math, compared to only 14 States before Goals 2000 and IASA. And, in States that have fully implemented these types of reforms, student achievement is on the rise, particularly among poor and minority children.

In addition to creating a new framework for reform through standards and accountability, this Administration launched several initiatives to ensure that all students have the opportunity to achieve to high standards.

The Class Size Reduction, 21st Century Community Learning Centers, Reading Excellence, and technology initiatives all invested Federal dollars in effective approaches to improving achievement through smaller, more individualized classes, extra learning time, early literacy efforts, and educational technology so that students master the skills and material they need to succeed in school. In addition, the Administration initiated a School Renovation program to help local school districts make urgently-needed repairs to their classrooms and ensure that students have a safe place to learn.

Title I Grants to Local Educational Agencies (Education for the Disadvantaged): Title I helps over 12 million disadvantaged students in 46,000 high-poverty schools master the basics and achieve to the same high standards as other students. As a result of revisions that this Administration proposed for the program in 1994, Title I now holds disadvantaged students to high academic standards, requires that testing and teaching reflect those standards, and holds schools accountable for improvements. These are precisely the reforms that a 1998 RAND study of North Carolina and Texas credits with producing rapid achievement gains in those States and reversing decades of low expectations for disadvantaged students. Funded at \$6.1 billion in 1993, Title I received a total of \$8.6 billion in 2001, a 41-percent increase. In 2000, the Administration initiated the Title I Accountability Fund to help districts identify failing schools, intervene with proven strategies, and report on their results. The Fund provides \$225 million in grants in 2001.

The reforms launched in 1994, coupled with the increased funding, have helped schools implement more effective programs. For example, 54 percent of all Title I elementary schools now have after-school programs to extend learning time rather than taking students out of the regular classroom for assistance. In 1994, only nine percent of Title I elementary schools had before- or after-school programs. The most recent data available suggest progress among students most likely to be served by the Administration's Title I reforms, including:

- Reading and math scores for nine-year olds in our highest poverty schools (75 percent or higher poverty) rose by nearly a grade level between 1992 and 1996.
- Between 1994 and 1998, the lowest-achieving fourth-graders showed substantial gains in reading, largely accounting for the rise in the average reading score among all fourth-graders nationally.

Teacher Quality and Professional Development: Funding for the Eisenhower Professional Development State Grants, the largest Federal program dedicated to providing teacher training, has nearly doubled from \$246 million when President Clinton took office to \$485 million in 2001. This Administration has paired this investment in teacher quality with its leadership in promoting high-quality professional development that prepares teachers to meet the high academic standards adopted by nearly all States and districts. In addition, this Administration has supported innovative teacher recruitment and recognition strategies to improve public school education. In 1994, it created the Troops to Teachers program, which has proved successful in helping skilled and experienced military service members become teachers in high-poverty schools. This Administration also has strongly supported the National Board for Professional Teaching Standards, thus helping to raise the number of teachers meeting standards of national excellence from 282 in 1995 to 9,498 in 2000.

In addition, this Administration has taken the lead on extending teacher preparation to pre-school professionals by securing funding in 2001 for the Early Childhood Educator Professional Development program. The 2001 enacted level also provides new funding for recruitment efforts to improve teacher quality by attracting recent college graduates with outstanding academic records to become fully qualified teachers through nontraditional routes.

Class Size Reduction: In 1999, President Clinton launched an initiative to reduce class sizes in the early grades to an average of 18 students by 2005. First funded at \$1.2 billion, this initiative will help communities recruit, hire, and train 100,000 qualified teachers to provide more individualized attention in the grades when students are building their

foundation for learning. Already, an estimated 29,000 teachers have been hired, and at the 2001 level of \$1.6 billion, approximately 8,000 more teachers are being added. Research shows that students in smaller classes outperform their peers in larger classes, and that this is particularly true for minorities and students in inner-city schools. Initial reports for the Federal program are positive, including:

- In the grades and schools in which Class Size Reduction teachers have been hired, districts report that class sizes have dropped from an average of 23 to 18.
- Hiring 29,000 teachers has reduced class sizes for some 61,000 additional teachers and a total of 1.7 million students in 23,000 schools.
- Anecdotal reports from districts show improvements in student achievement. For example, in Washington, D.C., participating schools have increased the percentage of students reading above the basic level.

21st Century Community Learning Centers/After School Programs: Initiated as a \$1 million demonstration program in 1995, 21st Century Community Learning Centers was expanded to be an \$846 million initiative by this Administration in 2001 to help students have a safe, supervised place to continue learning before and after school and during the summer. The program provides grants to public schools, which generally partner with community-based organizations, to provide tutoring, homework assistance, enrichment opportunities, and recreational activities for children and adults in urban and rural communities. Many school districts make the program part of a comprehensive approach to turning around troubled schools by providing children the extra help they need to meet challenging academic standards. Extended learning time has not only been shown to increase achievement in reading and math, but to decrease youth violence and drug use. The 2001 level will support about 6,700 centers serving approximately 1.3 million children.

Reading Excellence: A student's most basic skill to master is reading. Although reading problems can be particularly severe for disadvantaged students, students with reading

difficulties represent a cross-section of American children. On the 1994 National Assessment of Educational Progress, 40 percent of fourth-graders failed to reach the "basic" reading level and only 30 percent attained the "proficient" level. In 1997, this Administration launched the America Reads Challenge to provide extra help to meet the goal that every child will read well and independently by the end of the third grade, and obtained enactment of new legislation—the Reading Excellence Act (REA)—that began funding State and local programs on July 1, 1999.

REA supports competitive grants to high-poverty schools to improve the teaching and learning of reading. Seventeen States received three-year REA grants with 1999 funds, and 10 more received grants from 2000 funds. With the \$286 million available for 2001, all the remaining States and territories are expected to receive grants, bringing the number of children served to 1.1 million.

In response to the America Reads Challenge, more than 1,400 colleges have committed nearly 27,000 Federal Work-Study students to tutor children in reading. In addition, each college or university that participates in the Federal Work-Study program must include at least one tutoring or family literacy project as part of its community service activities, giving priority to the employment of work-study students as reading tutors in schools participating in reading reform efforts.

School Renovation: About one-quarter of the Nation's school districts report that at least one building is in less than adequate condition, and one-fifth rate the condition of their life-safety features (e.g., fire alarms and sprinkler systems) as less than adequate. Based on President Clinton's proposal to provide funds to help local school districts make critical facilities repairs, the 2001 appropriation included authorization and funding for a new \$1.2 billion program including funds for emergency repairs to schools. Projects may include fire and safety code repairs and repairs to roofs, plumbing, and electrical systems. The program includes a \$25 million demonstration that will support innovative financing methods to help charter schools meet their facilities needs. Federal support for school construction

is also provided through Qualified Zone Academy Bonds, which are discussed in the Tax Incentives paragraph of this section.

Special Education: Under the Individuals with Disabilities Education Act (IDEA), the Education Department works with States to ensure that more than six million children with disabilities receive a “free appropriate public education.” During this Administration, Federal support for special education programs authorized under the IDEA increased by more than 150 percent, from nearly \$3.0 billion in 1993 to \$7.4 billion in 2001, and the Federal share of special education costs increased from eight percent to 15 percent.

In 1997, the IDEA reauthorization focused attention not only on guaranteeing access to public schools, but also on ensuring that students with disabilities receive a high-quality education based on the same challenging standards as their nondisabled peers. As of July 1, 1998, all States were required to have performance goals and strategies in place for students with disabilities aged three to 21, and to report their progress toward meeting those goals on a biennial basis. By July 1, 2000, all States were required to include special education children in State and district-wide regular assessments or provide alternate assessments to measure educational performance. Based on the latest data available, during this Administration:

- The number and percentage of students with disabilities who leave high school with a regular diploma has increased from 114,000, or 52 percent, of all students with disabilities in 1994, the earliest year comparable data are available, to 149,000, or 57 percent, in 1999.
- The percentage of students with disabilities who dropped out of school decreased from 35 percent in 1994 to 29 percent in 1999.

Education Technology: The Administration’s education technology programs serve to make modern computers and technologies accessible to all students, connect classrooms to the Internet, make high-quality educational software an integral part of the curriculum, and enable teachers to integrate technology effectively into their instruction. This Adminis-

tration’s investment in educational technology has grown from \$23 million in 1993 to \$872 million in 2001.

The Administration was instrumental in creating the education rate (E-rate) in the Telecommunications Act of 1996 to provide discounts for schools and libraries to purchase high-speed Internet access, internal wiring, and telecommunications services. Since the beginning of the program in 1998, E-rate commitments of \$5.6 billion have helped dramatically increase the number of schools and individual classrooms connected to the Internet. In 1994, only 35 percent of all public schools and three percent of classrooms had a connection to the Internet, but by 1999, 95 percent of all public schools and 63 percent of public school classrooms were connected to the Internet.

Not only did nearly all schools connect to the Internet during this Administration, but teachers were better prepared to take advantage of new technological tools in the classroom. In 1994, 51 percent of teachers had recently participated in professional development on the use of technology, as compared to 78 percent of teachers in 1998. Programs created during this Administration, like the Technology Literacy Challenge Fund and Preparing Tomorrow’s Teachers to Use Technology, have expanded technology training opportunities for teachers to better prepare students for the new opportunities in the 21st Century.

Hispanic Education Action Plan: To address the disproportionately low educational achievement and high dropout rates of Latino and limited English proficient (LEP) students, the Administration created the Hispanic Education Action Plan (HEAP). Since its inception in 1998, the HEAP initiative has aimed to increase funding levels for select programs that help Latino and LEP students improve their levels of academic achievement, high school graduation, postsecondary participation, and opportunities for lifelong learning. HEAP programs include Title I, Adult Education, Bilingual Education, and TRIO. The 2001 appropriation includes \$1 billion in increases over the 2000 level for all HEAP programs. Overall funding for programs included in this initiative

has increased by 25 percent since 1998. (See Table 11–3.)

Bilingual Education: The population of LEP students has grown dramatically over the last two decades. Between school years 1992–1993 and 1996–1997, the LEP population in 10 States (Alabama, Alaska, Florida, Idaho, Nebraska, Nevada, North Carolina, Oregon, South Carolina, and Tennessee) grew by more than 50 percent. The Bilingual Education program provides funds to school districts to teach English to LEP students and help them meet the same challenging State standards required of all other students. The program also funds professional development programs to address the growing need for certified bilingual education and English as a second language (ESL) instructors. The Administration proposed and won over \$100 million in increases for Bilingual Education between 1993 and 2001, a 51-percent increase. The funding level of \$296 million in 2001 will produce nearly 18,000 teachers who specialize in teaching LEP children.

Public School Choice: Public School Choice programs offer enhanced parent and student choice within the public school system and provide participating schools with the freedom to pursue innovative education strategies in return for stronger academic accountability. This Administration has made public school choice a priority through support of the Magnet

Schools program and the Charter Schools program. When President Clinton took office, only a handful of Charter Schools existed. This Administration launched the Federal Charter Schools Program in 1994; it was first funded in 1995 at \$6 million. Due in part to support from the Charter School program, there are currently over 2,000 charter schools in operation nationwide, and 36 States have charter school legislation. At the current rate of growth, the President's goal of having 3,000 charter schools in operation by 2002 will be met. In 2001, the Charter School program is receiving \$190 million, a \$45 million increase from the previous year. The Magnet School program is receiving \$110 million in 2001.

Safe and Drug Free Schools and Communities: Since 1993, this program has provided almost \$5 billion to help 97 percent of all school districts implement drug and violence prevention efforts. In 2001, the program is receiving \$644 million, including \$117 million for the Safe Schools/Healthy Students initiative, \$50 million for the Middle School Coordinator Initiative, and \$10 million for Project SERV (School Emergency Response to Violence). The Coordinator Initiative will help 1,300 middle schools hire a director of violence and drug prevention programs in order to link school programs with community resources. Project SERV will provide emergency assistance to schools that suffer violent acts or other traumatic crises.

Table 11–3. Hispanic Education Action Plan (HEAP)

(Budget authority, in millions of dollars)

Program	Enacted		Change: 1998–2001
	1998	2001	
State Agency Migrant Program	305	380	75
High School Equivalency Program	8	20	12
College Assistance Migrant Program	2	10	8
Bilingual Education	199	296	97
Adult Education	361	561	200
Hispanic-serving Institutions	12	69	57
Federal TRIO Programs	530	730	200
Migrant Youth Job Training Program (Labor)	NA	5	5
Migrant and Seasonal Youth Opportunity (Labor)	NA	12	12
GEAR UP	NA	295	295
Title I, Grants to local educational agencies	7,375	8,602	1,226
Total, HEAP	8,792	10,979	2,187

NA = Not applicable.

Adult Education: For many disadvantaged adults, Adult Education programs provide the only opportunity to gain literacy skills and obtain the knowledge and skills necessary to attain employment and self-sufficiency and to complete their secondary education. To meet the rapidly growing need for these services across the Nation, the Administration has proposed and won several funding increases for Adult Education since 1993. This Administration also has created the English Literacy/Civics initiative (EL/Civics) which assists recent immigrants and other LEP adults in learning English while obtaining skills to navigate effectively key institutions of American life. In 2001, the Adult Education program is funded at \$561 million, an increase of 84 percent since 1993. The 2001 level includes \$70 million for the EL/Civics initiative, up from only \$7 million in 1999.

Postsecondary Education

The economic power of higher education is growing steadily as technology and knowledge increasingly drive our Nation's economy. Whereas young men and women in 1980 who completed at least a bachelor's degree earned 19 percent and 52 percent more, respectively, than their peers with no more than a high school diploma, by 1998 the earnings differential had grown to 56 percent among men and 100 percent among women. Jobs that require a college degree are growing twice as fast as others.

The most recent data reveal that under this Administration, more students than ever before are attending college and earning degrees. In 1993, 62 percent of all high school graduates went on to college. By 1998, this figure had risen to 66 percent. Only 44 percent of low-income high school graduates enrolled in higher education immediately in 1993, compared to 51 percent in 1997. And black high school graduates, who attended college at a rate of 51 percent in 1993, had increased that rate to 59 percent by 1997. Over 32 percent of 25- to 29-year-olds had earned at least a bachelor's degree in 1999, up from 27 percent in 1993.

This Administration's initiatives included a new early intervention program for disadvantaged students, lower fees and interest

rates on student loans, and the largest investment in student aid since the GI Bill, including new tax credits to make college more affordable. Since 1993, the new college tax credits and the greater availability of Federal assistance for low-income families have opened the door to higher education for millions of students who otherwise could not afford it. The Federal Government is providing over \$60 billion in student aid in 2001, including the Hope Scholarship and Lifetime Learning tax credits, compared to only about \$25 billion in 1993.

Hope Scholarships and Lifetime Learning Tax Credits: These tax benefits to help families pay for postsecondary education were proposed by President Clinton in 1996 and enacted in 1997. The Hope Scholarship helps make the first two years of college universally available by providing a tax credit of up to \$1,500 for tuition and fees for the first two years of college (indexed for inflation after 2001). The Lifetime Learning tax credit provides a 20-percent tax credit on the first \$5,000 of tuition and fees for students beyond the first two years of college, or taking classes part-time (in 2003, this increases to \$10,000 of tuition and fees). In 1999, these tax credits were claimed by an estimated 10 million families struggling to pay for college. For the 2000 tax year, 5.6 million families are eligible for about \$5 billion in Hope tax credits, and 7.2 million families are eligible for almost \$2.4 billion in Lifetime Learning tax credits. Both credits are phased out for joint filers between \$80,000 and \$100,000 of modified adjusted gross income, and for single filers between \$40,000 and \$50,000 (also indexed for inflation after 2001).

Student Loans: In 2000, the Federal student loan programs provided more than \$41 billion to nearly 5.8 million borrowers to help finance the cost of higher education. Recognizing that the cost of borrowing is a large burden for many students, this Administration has fought to reduce the cost of loans through lower fees and interest rates, as well as increased competition. Additionally, the Administration has worked diligently to improve management of the programs. Since 1993, the Administration has:

- reduced federally-required loan origination fees from as high as seven percent to three percent of loan principal—saving students \$4 billion;
- changed the interest rate formula for student loans from a fixed to a variable interest rate and subsequently reduced the new rate by nearly one percent—saving students \$5 billion;
- enhanced competition through the creation of the Federal Direct Student Loan Program which provided a catalyst to improving loan benefits and services for students—saving taxpayers \$4 billion;
- increased loan repayment options through the creation of the Income Contingent Repayment plan, which allows students to repay their loans as a share of their income;
- reduced from 22.4 percent to 6.9 percent the cohort default rate (defaults within their first two years of repayment on a loan)—saving taxpayers \$7 billion; and,
- quadrupled collections on defaulted loans from \$1 billion in 1993 to nearly \$4 billion in 2001 through better portfolio management—saving taxpayers \$7 billion over the past eight years.

As a result of these reforms, students have saved more than \$9 billion in loan costs while taxpayers have saved \$18 billion through better management of the programs.

Pell Grants: Pell Grants provide need-based scholarships for about four million college students each year. When President Clinton took office in 1993, the Pell Grant maximum award was \$2,300—the same as it was when President Bush took office in 1989. During this Administration, the maximum award has increased 63 percent to \$3,750 in 2001. Total funding for Pell Grants increased 35 percent, from \$6.5 billion in 1993 to \$8.8 billion in 2001.

Work-Study: The Work-Study program helps needy undergraduate and graduate students finance postsecondary education through part-time employment. Work-Study jobs both expand opportunity and teach responsibility and employment skills. In 1996, President Clinton set a goal of supporting one million

Work-Study students each year by 2000, over 250,000 more students than in 1993. This goal was achieved in 2000 and maintained in 2001. Federal Work-Study funds have increased 64 percent since 1993, from \$617 million to \$1.0 billion.

President Clinton also created the America Reads and America Counts initiatives within the Work-Study program, enabling college students to earn aid by serving as reading and math tutors in their communities. In 1998–1999, nearly 27,000 Work-Study students served as reading tutors.

GEAR UP: In his 1998 State of the Union address, President Clinton proposed a new initiative to help make a difference for students in high-poverty schools. GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) is based on the President's proposal to provide early, sustained intervention and extra financial assistance to help low-income middle- and high-school children prepare for college. GEAR UP supports partnerships of schools, colleges, and community organizations to help raise expectations for whole grade levels of students in high-poverty schools. In 2001, funding for GEAR UP increases to \$295 million, providing services to 1.2 million disadvantaged students.

TRIO: This Administration also has expanded the TRIO programs to promote college success for disadvantaged young people. TRIO programs help low-income, first-generation college, and disabled individuals achieve academic success beginning in middle school, throughout college, and into graduate school. Since 1993, funding for the programs has nearly doubled, from \$388 million to \$730 million. Up to 765,000 students will receive services in 2001.

Within the TRIO programs, President Clinton proposed College Completion Challenge Grants (CCCG) to help reduce the college dropout rate. Although college enrollment rates have risen, 37 percent of students who go on to postsecondary school drop out before they get a certificate or degree. The problem is especially acute for minorities: 29 percent of African Americans and 31 percent of Hispanics drop out of college after less than one year, compared to 18 percent of whites. CCCG is designed to

address this problem with a comprehensive approach including pre-freshmen summer programs, support services, and increased grant aid to students. In 2001, key components of the CCCG proposal were enacted that will help improve the chances of success for nearly 18,000 low-income college students.

Student Aid Delivery System Modernization: The Education Department manages the delivery of student aid benefits to nearly nine million students in approximately 5,300 post-secondary schools, and oversees the direct and guaranteed loan systems affecting 37 million individuals, 4,100 lenders, and 36 guarantee agencies. This Administration has made modernization of student financial aid management one of its highest priorities. In the Higher Education Amendments of 1998, the Administration succeeded in converting the Office of Student Financial Assistance (OSFA) into the Government's first-ever Performance-Based Organization (PBO). This new organization has unprecedented flexibility in procurement, operations and management of Federal student financial assistance programs. OSFA's mission includes improving customer service at lower cost through better contracting practices and use of new information technology. In its first 18 months of operation, the new OSFA has made significant progress in: (i) modernizing its 13 legacy, stove-pipe computer systems into an integrated, customer-oriented system; (ii) implementing web-based technologies that allow students to conduct student aid functions online; and, (iii) reducing projected operating costs by reforming contracting to share risks and rewards with private sector firms.

Student Aid Income Verification: In 2000, as part of this Administration's Priority Management Objective to ensure that the right person gets the right benefit, the Departments of Education and Treasury performed test matches of income data reported by students on their aid applications against IRS data. The agencies began work on a pilot program that will help the Department of Education prevent improper or erroneous student aid payments before they are made and maximize the aid available to needy students.

Vocational Rehabilitation Services: The Vocational Rehabilitation (VR) program helps

individuals with disabilities prepare for and obtain gainful employment to the extent of their capabilities. Since 1993, funding for the VR program has increased 28 percent, from \$1.9 billion to \$2.4 billion. The 1998 reauthorization of the VR program required all States to develop challenging, State-specific goals based on a comprehensive assessment of the vocational rehabilitation needs of individuals with disabilities, and to describe the strategies that will be used to address those needs. In 2000, States first reported their progress toward meeting these goals. To further expand employment opportunities for individuals with disabilities, State VR agencies are also required One-Stop partners under the Workforce Investment Act of 1998, and participate as Employment Networks under the Ticket to Work and Workforce Incentives Improvement Act of 1999.

- The number of individuals with disabilities who secured employment under the VR program increased from approximately 194,000 in 1993 to 232,000 in 1999. The percentage of these individuals who obtained competitive employment increased from 82 percent in 1993 to 84 percent in 1999.
- The performance of VR agencies improved even while they served more individuals with significant disabilities. Of those individuals achieving an employment outcome through the VR program, in 1999 nearly 85 percent had a significant disability, up from 73 percent in 1993.

Education Tax Incentives

The President proposed the Hope Scholarship and Lifetime Learning tax credits to make college more affordable for lower- and middle-class families in 1996; the Taxpayer Relief Act of 1997 (TRA) enacted these credits. The TRA also created education IRAs for higher education savings and allowed student loan interest to be deductible; both benefits have income limits. The TRA provided a tax credit to holders of Qualified Zone Academy Bonds (QZABs). Proceeds of QZABs may be used for renovation of and purchase of equipment for schools that are high-poverty or in enterprise communities or empowerment zones. During this Administration, a tax

provision allowing employees to exclude employer-provided educational assistance for undergraduate training from their gross income has been extended several times.

DEPARTMENT OF LABOR

Elementary, secondary, and postsecondary investments enable Americans to acquire the skills to get good jobs in an increasingly competitive global economy. In addition, most workers acquire skills on the job or through employer-provided assistance to enhance worker skills and productivity. However, some workers need additional assistance. In addition to Pell Grants, student loans, and tax credits, the Federal Government will spend some \$7.1 billion in 2001 on Department of Labor (DOL) programs that finance job training and related services, a \$1.2 billion, or 21 percent, increase from the 1993 level. In addition to these increases, the Administration has made a number of systems changes that have moved the employment and training system from a fragmented group of categorical programs to a consolidated and integrated system with a focus on the needs of its customers—workers looking for new and better jobs, and employers looking for skilled workers.

The Workforce Investment Act (WIA) of 1998: The culmination of many years of work by this Administration and the Congress, the WIA took full effect on July 1, 2000, as the Job Training Partnership Act was repealed and all States began to fully implement the WIA requirements. The Act calls for a streamlined, customer-focused job training system overseen by local business-led Workforce Investment Boards that provide a single point of entry to services in each community. The WIA reflects the basic principles set out by President Clinton for this transformation, including: streamlining services through One-Stop Career Centers; empowering individuals with the information and resources they need to choose the appropriate training; providing universal access to a core set of employment services such as job search assistance; increasing accountability, including core performance indicators; ensuring a strong role for the private sector and the local boards that develop and oversee programs; facilitating State and

local flexibility; and, improving the quality of youth job training services.

Youth Activities: The WIA consolidated the funding streams for DOL's summer jobs and year-round youth training programs into one formula grant that provides a variety of services to economically disadvantaged youth. These WIA reforms were intended to provide more intensive and comprehensive services to youth and achieve better programmatic outcomes in terms of future education and employment. By consolidating the funding streams of the two youth programs, the WIA provides local governments the flexibility to design the education and training program that best meets the needs of youth in their areas. Funding for the consolidated program is \$1.1 billion in 2001, serving roughly 660,000 participants. This program is part of the Department's efforts to reach the nearly 11 million young people between 16 and 24 who are not in school.

Youth Opportunity Grants: The Youth Opportunities initiative, first piloted in 1993, addresses the special problems of out-of-school youth, especially in inner-cities and other areas where unemployment and poverty rates are high. This model uses a saturation service-delivery approach, concentrating resources in high-poverty communities in order to bring about fundamental change in neighborhoods served. It combines Federal, State and local resources with private-sector involvement to create a comprehensive approach to job training, education, and career counseling. The 2001 appropriation provides \$275 million for the third year of five-year competitive grants to 36 communities and expands to an additional two to three communities—serving 5,000 more disadvantaged youth than the 58,000 served in 2000.

Responsible Reintegration for Young Offenders (RRYO): Building on lessons learned through the Youth Offender demonstration, the 2001 appropriation provides \$55 million to establish partnerships between the criminal justice system and local One-Stop delivery systems created under the WIA. Young offenders up to age 35 will have access to comprehensive services—including education, training, drug treatment, and support services—that can help them successfully reenter the community and

the economic mainstream. This initiative is being administered through collaboration among the Departments of Justice, Labor, and Health and Human Services. The three Departments are working with State and local agencies and communities to develop programs that address every element of the re-entry challenge. In 2001, the RRYO program will support services for almost 14,000 young ex-offenders.

Job Corps: Founded in 1964, Job Corps serves severely disadvantaged youth ages 16 through 24 by providing skill training, education, and support services. It is primarily a residential program with approximately 88 percent of students living at Job Corps centers. This successful program has expanded during this Administration. In 2001 with funding of \$1.4 billion, Job Corps will have 121 centers across the country serving nearly 74,000 students—16 percent more than in 1993.

Dislocated Worker Employment and Training Activities: The 2001 funding of almost \$1.6 billion for this program will provide training and employment services to about 883,000 displaced workers. The amount more than doubles the 1993 funding level of \$651 million, and nearly triples the participant level to 883,400. In 2000, 80 percent of participants are expected to be employed six months after leaving the program in jobs that replace, on average, 98 percent of their pre-dislocation earnings.

One-Stop Career Centers/Employment Service: The Employment Service provides a free labor exchange for all job seekers and employers and operates in the One-Stop delivery system established by the WIA. Funds for 2001, a total of roughly \$1 billion, support a range of information and services, including self-service access to job and labor market information, either through the Internet or in local offices, as well as staff-assisted services for those needing more help. This level is a 12-percent increase over the 1993 funding of \$895 million for the Employment Service.

In 1994, President Clinton initiated a program of planning and implementation grants for States to establish networks of One-Stop Career Centers in their States. These Centers were designed to streamline access to multiple employment and training pro-

grams, with a total of \$977 million provided for this purpose since 1994. As a result of the Administration's efforts, the WIA institutionalized One-Stops as the primary mode of training and employment service delivery.

During this Administration, the growth of the Internet transformed the way labor exchange services are delivered. Job-seekers and employers could be linked electronically without the need to visit the local Employment Service office. Information on local jobs could expand to cover regional and national labor markets. In this new environment, workers who want to learn about job openings can use DOL's popular America's Job Bank (AJB) web site, which lists an average of 1.5 million job vacancies each day and has over 10 million job searches each month. Employers can search through resumes posted on the AJB web site, with over 500,000 listed daily.

Work Incentive Grants: In 2000, President Clinton initiated a \$20 million program of competitive grants to partnerships or consortia in each State to provide services and information for individuals with disabilities who want to return to work. These partnerships work with the One-Stop system to augment its capabilities to provide timely and accurate information that people with disabilities need to get jobs and learn about the benefits available to them when they return to work.

Welfare-to-Work Grants: Moving people from welfare to work has been the primary goal of Federal welfare policy. In addition to the \$16.5 billion per year provided through the Temporary Assistance for Needy Families Program, President Clinton obtained a total of \$3 billion to help achieve this goal through Welfare-to-Work grants over 1998 and 1999. These competitive and formula grants provide welfare recipients with the job placement services, transitional employment, and job retention and support services they need to achieve economic self-sufficiency. Working closely with the Congress, the Administration later secured critically needed changes to the program's eligibility and reporting requirements. These streamlined criteria allow the Welfare-to-Work grants program, within existing resources, to better serve the eligible population and report program results with minimal burden. In light of this, in 2001, States' authority to obligate

these funds was extended for two years. This program also is discussed in Chapter 14, "Income Security."

Skills Shortage Grants: A new program of high-tech skills shortage grants, funded by employer-paid visa application fees for foreign workers, was initiated in 1999. To date, this program has provided about \$96 million to help workers keep pace with the rapidly changing economy and to provide employers with the skilled workers they need. In 2001, an estimated \$167 million is available for these purposes.

Workplace Protections: DOL regulates compliance with various laws that protect individuals in the workplace a minimum wage for virtually all workers, prevailing wages and equal employment opportunity for workers on Government contracts, overtime pay, restrictions on child labor, and time off for family illness or childbirth. (For discussion of workplace safety programs, see Chapter 12, "Health.") Given dramatic changes in the type of jobs in and composition of the U.S. work force in recent years, DOL has tailored its compliance efforts to continue ensuring effective worker protection.

For example, DOL has focused many of its compliance activities on low-wage industries like garment, agriculture, and health care industries that have the lowest compliance rate and in which the most egregious violations occur. In 2001, DOL's goal is to increase compliance by five percent among employers who were previous violators and the subject of repeat investigations in these targeted industries. DOL also has worked to increase industry's compliance with labor protections through voluntary compliance initiatives and outreach to new and small businesses.

Worker Benefits: The Administration has led successful efforts to provide better benefits to workers. Among the President's first acts in 1993 was to propose, and then sign, the Family and Medical Leave Act. The Act allows workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or newly adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse. These protections make it less likely that employees will have

to choose between work and family. To date, over 35 million workers have taken advantage of this benefit.

In 1996, President Clinton successfully sought a \$1 increase in the minimum wage over two years bringing it to \$5.15 an hour providing an additional \$1,800 a year to a full-time, full-year minimum wage earner. This increase helped approximately 10 million workers. The Administration also made equal pay a prominent issue. Intended in part to address the gap in pay between men and women, in 2001 DOL is planning to dedicate \$17 million to equal pay efforts such as training women in nontraditional jobs and providing employers with assistance to assess and improve their pay policies.

In 2000, the Congress failed to complete work on a \$1 increase in the minimum wage, which remains essential and which will, over time, still be inadequate for the minimum wage to keep pace with our Nation's prosperity.

International Child Labor/Bureau of International Labor Affairs (ILAB): As a result of the Administration's efforts, the United States now is a world leader in ensuring that globalization helps raise labor conditions around the world. The 2001 appropriation provides \$148 million for this purpose, nineteen times greater than in 1993. A focal point of the Administration's priorities has been the elimination of abusive and exploitative child labor. In 2001, President Clinton successfully secured a 50-percent increase, for a five-year total of \$195 million, to support the International Labor Organization's (ILO) International Program for the Elimination of Child Labor (IPEC). Over the last five years, these projects have provided educational opportunities to some 120,000 children in several developing countries and have provided their families with viable economic alternatives to having their children work. The 2001 appropriation includes \$37 million for a new bilateral assistance child labor initiative aimed at improving and expanding access to basic education as part of a comprehensive strategy to eliminate child labor. Lastly, the Administration secured \$45 million to help developing countries implement core labor standard initiatives and strengthen social

safety net programs for workers in developing economies.

Labor Tax Incentives

The Targeted Jobs Tax Credit, which provided employers with a tax credit on wages paid to disadvantaged workers, was extended retroactively in 1993 to cover workers hired from 1992 to 1994. This credit was replaced by the more tightly targeted Work Opportunity Tax Credit in 1996. In 1997, the Taxpayer Relief Act created the Welfare-to-Work Tax Credit to encourage employers to hire recipients of long-term family assistance. This tax credit also is discussed in Chapter 14, "Income Security."

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start: Head Start gives low-income children a comprehensive approach to child development, stressing language and cognitive development, health, nutrition, and social competency. Between 1993 and 2001, funding for Head Start increased 123 percent to \$6.2 billion. Enrollment, which stood at 714,000 children in 1993, is expected to reach 936,000 children in 2001, well on the way to achieving the President's goal of serving one million children annually by 2002. The 1994 reauthorization of Head Start established Early Head Start, a new program targeted at pregnant women and low-income families with children under age three. Within the 936,000 children expected to be served in 2001, more than 50,000 infants and toddlers will be enrolled in Early Head Start.

Foster Care and Adoption Assistance: The Administration for Children and Families administers a number of programs that focus on preventing maltreatment of children, protecting children from abuse and neglect, and finding permanent placements for children who cannot safely return to their homes. The First Lady has played a prominent role in promoting the adoption of children living in foster care and in working for passage of the Adoption and Safe Families Act of 1997 (ASFA), landmark legislation which reformed our Nation's child welfare system by putting considerations of children's health and safety first. The

Adoption Incentives program, enacted into law as part of ASFA in 1997, was one of the innovative recommendations advanced in the President's Adoption 2002 Initiative to focus attention on the needs of children awaiting permanent adoptive families. The program has resulted in unprecedented increases in the number of children adopted. In 1999, 46,000 foster care children were adopted, up from 23,000 in 1994, the first year for which reliable figures are available, and well within reach of meeting the President's goal of 56,000 adoptions by 2002, double the number in 1996. This is the first significant increase in adoption since the national foster care program was established nearly 20 years ago.

The Administration also worked with the Congress to enact the Foster Care Independence Act. Nearly 20,000 young people leave foster care each year when they reach age 18 without an adoptive family or other guardian. The Foster Care Independence Act doubled the amount of funding available to \$140 million annually to ensure that those young people get the tools they need to make the most of their lives by providing them better educational opportunities, access to health care, training, housing assistance, counseling, and other services.

Aging Services Programs: The Administration on Aging (AoA) administers information and assistance, home and community-based support services for older people, and programs that protect the rights of vulnerable, at-risk older people. Since 1993, funding for AoA programs has increased 32 percent, from \$839 million in 1993 to \$1.1 billion in 2001. As a result, AoA and its partners have been able to expand delivery of such important services as home-delivered meals from 103 million meals served in 1993 to an anticipated 176 million meals in 2001, a 71-percent increase. In addition, in 2000, the President signed into law legislation to reauthorize the Older Americans Act, which included the Administration's proposal to support families caring for loved ones who are ill or disabled. In 2001, \$125 million is available for this new long-term care program.

Health and Human Services Tax Incentives

The Taxpayer Relief Act of 1997 made taxpayers eligible for a child tax credit for each dependent child under the age of 17 to help make it easier for parents to participate in the labor force. The credit amount per child was \$400 in 1998 and rose to \$500 in 1999 and subsequent years. The credit is gradually phased out for taxpayers with adjusted gross income in excess of the following thresholds: \$110,000 for married taxpayers filing a joint return, \$75,000 for a single tax-payer or head of household, and \$55,000 for married taxpayers filing a separate return. This tax credit will provide over \$19 billion in benefits in 2001.

The Small Business Job Protection Act of 1996 included two tax provisions to assist families who adopt children: a nonrefundable tax credit for the first \$5,000 in adoption expenses per child, and an exclusion of up to \$5,000 per adoption for certain employer-paid or employer-reimbursed adoption expenses. Both the credit and the exclusion are phased out gradually for taxpayers with incomes between \$75,000 and \$115,000.

NATIONAL SERVICE

The President set as one of his first legislative objectives the establishment of a national service program. As a result, one of this Administration's earliest successful legislative initiatives was the establishment of the Corporation for National and Community Service (CNCS) in 1993. CNCS consolidated several existing volunteer programs and created the AmeriCorps program to engage Americans of all ages and backgrounds in community-based service. Through Corporation-supported projects, over 1.7 million participants serve each year in community organizations to address the Nation's unmet, critical needs. The 2001 appropriation includes \$767 million for the Corporation, a \$483 million, 170 percent increase over 1993. The major programs the Corporation oversees are AmeriCorps, the National Senior Service Corps, and Learn and Serve America.

AmeriCorps: Since the launch of AmeriCorps in September 1994, more than

200,000 participants have served in communities across the country tutoring hundreds of thousands of children, responding to natural disasters in more than 30 States, establishing or expanding more than 40,000 neighborhood safety patrols, and building or rehabilitating more than 25,000 homes for the homeless. For their service, AmeriCorps members are eligible to receive educational awards that help pay for college or job training, or repay student loans. To date, AmeriCorps members have qualified for almost \$450 million in education awards. In 2001, nearly 50,000 members will have the opportunity to help communities meet their pressing needs.

National Senior Service Corps (NSSC):

The NSSC uses the talents, skills, and experience of more than 500,000 older Americans to help solve local problems as Foster Grandparents, Senior Companions, or as Retired and Senior Volunteers (RSVP). The 2001 appropriation includes \$189 million for the NSSC, a \$61 million, 48-percent increase over 1993. Members help meet a wide range of community needs, serve one-on-one with young people with special needs and help other seniors live independently in their homes. In 2000, the RSVP program tutored more than 30,000 students in grades K-6 and helped meet the needs of more than 10,000 terminally ill patients in homes, hospitals, and hospices across the country.

Service Opportunities for Youth: Learn and Serve America supports service-learning programs in schools and community organizations that engage youth in addressing education, public safety, environmental, and other human needs. In 2000, more than one million students participated in these programs, which range from designing neighborhood playgrounds to preparing food for the homeless. The 2001 appropriation provides \$43 million for Learn and Serve.

CULTURAL AGENCIES

The Smithsonian Institution and Other Cultural Agencies: The Smithsonian Institution, the National Gallery of Art, the U.S. Holocaust Memorial Museum, and the John F. Kennedy Center for the Performing Arts all play a significant role in the cultural life of Washington D.C., and the Nation. During this

Administration, these agencies have continued their record of sharing their knowledge and collections with the American public, as well as maintaining and expanding their physical facilities to house their unique assets.

Highlights of the past eight years include:

- The dedication of the U.S. Holocaust Memorial Museum in April, 1993, by President Clinton. Since then, the Museum has welcomed over 15 million visitors, including 63 heads of state.
- The opening of the National Gallery of Art Sculpture Garden in May 1999, and unprecedented exhibitions organized by and presented at the Gallery, including those of paintings of the Dutch artist Vermeer in 1995–1996 and Van Gogh in 1998–1999. Federal appropriations for the National Gallery increased 38 percent during this Administration, from \$55 million in 1993 to \$76 million in 2001.
- The celebration of the Smithsonian’s 150th birthday party on the Mall in August 1996, and the national tour of “America’s Smithsonian” to commemorate the Institution’s 150th year. In addition, the Smithsonian created its web site in 1995, which has allowed universal public access to Smithsonian exhibitions and artifacts. Federal appropriations for the Smithsonian increased 32 percent during this Administration, from \$344 million in 1993 to \$455 million in 2001.
- The Kennedy Center unveiled its state-of-the-art renovation of its concert hall in 1997. Federal appropriations for the Kennedy Center more than doubled during this Administration, from \$14 million in 1993 to \$34 million in 2001.
- The groundbreaking for two new Smithsonian museums—the National Museum of the American Indian on the Mall and the extension of the National Air and Space Museum at Dulles Airport—and the opening of the Woodrow Wilson Center’s new quarters on Pennsylvania Avenue.

The Commission of Fine Arts and the National Capital Planning Commission have responsibilities for the arts and architecture of the Nation’s capital city. The National

Capital Planning Commission completed its long-range plan that will guide development in the D.C. central area for the next 50 to 100 years, including creating opportunities for new museums and memorials and preserving the open space of the National Mall. The Commission of Fine Arts approved designs for numerous monuments and buildings, including the Franklin D. Roosevelt Memorial, which opened in 1997.

The National Foundation on the Arts and the Humanities: The National Endowment for the Arts (NEA), the National Endowment for the Humanities (NEH), and the Institute of Museum and Library Services (IMLS) provide support for important cultural, educational and artistic programs for communities across America. These agencies fund education and lifelong learning programs as well as projects to increase public access to performances, exhibitions, and our Nation’s cultural treasures held by museums, libraries, archives, and historical organizations. The agencies were able to maintain their roles over the last eight years because the Administration won bipartisan support in the face of severe critics in the Congress.

- NEA has moved forward in several dramatic ways over the past several years, placing an emphasis on outreach and focusing on grants to more people and places for education, services for young people, and preservation of cultural heritage. More grants are going to smaller organizations in small and medium-sized communities. NEA has also taken administrative steps to reform aspects of its grant review process thus increasing its accountability. In 2001, NEA is receiving \$105 million in funding, with \$7 million for its new Challenge America program. Through Challenge America, NEA will award grants, directly or in partnership with States, to communities across America that focus on arts education and enrichment, after-school programs, access to the arts for underserved communities, and community arts development initiatives.
- In keeping with Administration priorities, NEH has focused its programmatic efforts on developing new audiences for humanities programming, on innovative uses of

technology, and on the education of our Nation's students. In 1996, NEH launched a major Teaching with Technology initiative that encouraged schools across the country to make use of new technologies to bring the humanities to their students in creative and challenging ways. In 1998, NEH joined with MCI Communications Corporation and the Council of Great City Schools to develop EDSITEment, a humanities-rich meta-web site designed for teachers and students alike. More recently, NEH has embarked on an ambitious, agency-wide effort, Extending the Reach, that seeks to make all NEH programs more accessible to underserved regions and audiences. In 2001, NEH received a \$5 million increase over 2000 for a total of \$120 million, allowing the agency to continue its emphasis on extending the reach of NEH's programs to underserved areas.

- IMLS has inaugurated several programs over the past eight years which encourage educational endeavors ranging from after school programs to mentorships to helping museums and libraries maximize the po-

tential of digital media in their activities. In 1994, museums that made outstanding contributions in community service were honored with the first National Award for Museum Service, followed by the establishment of the National Award for Library Service in 2000. In 2000, a new, comprehensive funding program called National Leadership Grants was established, supporting innovation and collaboration in library and museum services. Through this program, IMLS is aggressively working to help museums and libraries build electronic networks and use technology to make their resources more accessible. In 2001, IMLS' Office of Museum Services was funded at \$25 million and the Office of Library Services received \$207 million in the 2001 appropriation. IMLS will promote access to learning and information resources held by museums and libraries through electronic linkages, helping all 55 State library agencies expand electronic access to materials and increase Internet access, and providing technical support to museums in putting collections information on-line.